

# How much might the CPC childcare credit cost and where is the rest of the federal ELCC money going to go? <sup>[1]</sup>

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## AVAILABILITY

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Excerpted from article introduction.

By Jennifer Robson, Associate Professor of Political Management, Carleton University. My disclosure statement is posted on my university webpage here.

\*This story was updated August 21 after I received a table produced by the Conservative Party of Canada that I have not previously seen.

A few days ago, a few different journalists called me and asked me some smart questions about the CPC platform, including the proposal to “convert the Child Care Expenses Deduction into a refundable tax credit”.

In Fall 2014, I warned that leaving the Child Care Expenses Deduction (CCED) unchanged (plus the state of child benefits at the time) might undo a lot of the good that the NDP’s childcare proposal could otherwise do. This is still a potential problem, IMHO.... Ahem....

I’m also on the record here and here arguing that the CCED should be turned into a progressive refundable tax credit (RTC). Advocates, please take note that the recommendation in the second piece was to \*combine\* significant supply-side spending with a progressive RTC instead of the CCED. As Prof. Rob Gillezeau noted, you can be in favour of BOTH CCED reform AND strong supply-side public funding. I have never argued that an RTC will create spaces. It won’t. But it could help with the out of pocket costs for families. Even if we get fees down to an average of \$10/day, paying that will still be difficult for many families. Arguments for keeping the CCED as-is too often come from very privileged vantage points.

Now that Mr. O’Toole has confirmed his intention to cancel the new bilateral ELCC agreements signed with 8 subnational governments (including Nova Scotia where the recently-elected Progressive Conservatives have said their government wants to keep that deal), journalists asked me if a new RTC would really cost as much as those agreements. That’s what this piece is about.

Remember those new agreements are worth \$29.8 billion over the next 5 years and \$8.3 billion ongoing.

The CPC platform hasn’t yet been costed so I look forward to and will trust the work of the Parliamentary Budget Officer (PBO) when it comes out.

In the meantime, I’ve been trying to work out if it’s possible to repurpose CCED spending, plus nearly \$30 billion in ELCC funding over 5 years and at least \$8.3 billion ongoing, all into the type of credit the CPC platform outlined. Or is squeezing all this money into a new tax credit as difficult as passing a camel or an elephant through the eye of a needle?

Let’s walk through this together, step by step. This is going to be a bit rough, but it’s a start while we wait for more details from the party and PBO.

**Region:** Canada <sup>[3]</sup>

**Tags:** funding <sup>[4]</sup>

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**Source URL (modified on 24 Aug 2021):** <https://childcarecanada.org/documents/research-policy-practice/21/08/how-much-might-cpc-childcare-credit-cost-and-where-rest>

**Links**

[1] <https://childcarecanada.org/documents/research-policy-practice/21/08/how-much-might-cpc-childcare-credit-cost-and-where-rest> <sup>[2]</sup>

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